

# **SOCIALIST STUDIES**

**NO. 15**

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**OFFICIAL JOURNAL OF  
THE SOCIALIST PARTY  
OF GREAT BRITAIN**

**Communications to : General Secretary, 71 Ashbourne Court,  
Woodside Park Road, London N12 8SB**

## THE SOCIALIST PARTY OF GREAT BRITAIN

### OBJECT

*The establishment of a system of society based upon the common ownership and democratic control of the means and instruments for producing and distributing wealth by and in the interest of the whole community.*

### DECLARATION OF PRINCIPLES

#### THE SOCIALIST PARTY OF GREAT BRITAIN HOLDS:

1. That society as at present constituted is based upon the ownership of the means of living (i.e., land, factories, railways, etc.) by the capitalist or master class, and the consequent enslavement of the working class, by whose labour alone wealth is produced.
2. That in society, therefore, there is an antagonism of interests, manifesting itself as a class struggle, between those who possess but do not produce, and those who produce but do not possess.
3. That this antagonism can be abolished only by the emancipation of the working class from the domination of the master class, by the conversion into the common property of society of the means of production and distribution, and their democratic control by the whole people.
4. That as in the order of social evolution the working class is the last class to achieve its freedom, the emancipation of the working class will involve the emancipation of all mankind without distinction of race or sex.
5. That this emancipation must be the work of the working class itself.
6. That as the machinery of government, including the armed forces of the nation, exists only to conserve the monopoly by the capitalist class of the wealth taken from the workers, the working class must organise consciously and politically for the conquest of the powers of government, national and local, in order that this machinery, including these forces, may be converted from an instrument of oppression into the agent of emancipation and the overthrow of privilege, aristocratic and plutocratic.
7. That as all political parties are but the expression of class interests, and as the interest of the working class is diametrically opposed to the interests of all sections of the master class, the party seeking working class emancipation must be hostile to every other party.
8. The Socialist Party of Great Britain, therefore, enters the field of political action determined to wage war against all other political parties, whether alleged labour or avowedly capitalist, and calls upon the members of the working class of this country to muster under its banner to the end that a speedy termination may be wrought to the system which deprives them of the fruits of their labour, and that poverty may give place to comfort, privilege to equality, and slavery to freedom.

ALL ENQUIRIES AND APPLICATIONS FOR MEMBERSHIP TO...  
The Socialist Party of Great Britain,  
71 Ashbourne Court, Woodside Park Road, London N12 8SB

## UNITED NATIONS OR SOCIALISM?

In its two major objectives, ending war and poverty, the United Nations has been a complete and utter failure. Nowhere can this be more clearly seen than in the recent wars in Rwanda, Somalia, Bosnia and in what was once the Russian Empire. This failure is only matched by the stream of naive reports and resolutions which come out of the United Nations itself. A recent example is the Human Development Report produced for the UN Development programme under its director, James Speth;

Mr Speth is typical of the political idealist. He believes, either by merely enacting a piece of legislation or by passing a resolution, an effective social change in society will occur. At a recent speech on the problem of Poverty in Africa he called for the phasing out within three years of the arms trade and military assistance to the continent.

*"A large part of the blame for this trading in death rests with the industrial countries who while giving aid in the order of 60 billion dollars a year, earn in compensation 125 billion dollars from military expenditure in the developing world."*

(Guardian. 2nd June. 94)

The report prepared for Mr Speth by Dr Mahbab Al Huq, continues this naive train of thought about the social world in which we live. Dr Al Huq cannot understand why India, for instance, bought twenty MIG 29 fighter aeroplanes for a sum which could have sent 15 million girls to school. Nor could he see why Nigeria bought 80

tanks for a sum which could have immunised 2 million schoolchildren and bought family planning to 17 million couples.

Both Mr Speth and Dr Al Huq do not understand that we live in a system of society in which the prime objective of production is to make profit and to expand capital. Nation States in which a ruling class and its political agents reside are in competition and conflict with other nation states over raw resources, protection of trade routes and spheres of influence. It is a world of political struggle which sometimes results in war and destruction.

Governments do not give Aid to other countries through benevolence or disinterestedness. This is particularly true of the World Bank and the International Monetary Fund. With the giving of Aid there are always strings attached. It buys goodwill, inroads to a country's market; the opportunity for business adventures and to ensure a presence in a region where influence may need to be exerted. It is all about Trade and the politics associated with Trade on the world market. And if it means selling weapons then so be it.

There is no morality in buying and selling. If you accept a world in which all aspects of human existence, including the ability to work, has a price then an acceptance of this world also carries a price. The price is war and poverty.

In a world of competition between nation states, to protect trade routes, to expand territory and to defend a ruling class's property from internal or external predators requires weapons of destruction. The education of 15 million girls will not protect the wealth of India's ruling class. But twenty MIG jets will. Immunised children and family planning will not hold down food riots, civil



disturbances, revolts and coups in Nigeria. But 80 tanks will This is the reality capitalism.

So, for those of you who do not want to live in a social world of poverty and war; of conflict and exploitation, there is reason for hope; it can be changed. However, it can only be changed by social revolution. This means consciously replacing Capitalism with Socialism. Socialism will be a system in which there would be no nation states; where production takes place to sustain life and not to kill; to provide health care and not tanks; and to provide a framework to be able to solve social problems rather than create them. The United Nations cannot do this. It is part of the problem, not the solution.

## CLASS STRUGGLE IN LITERATURE

"Yes; the fools will have a strike. Let them. It suits us well enough. But we gave them a chance. They think trade is flourishing as it was last year. We see the storm on the horizon and draw in our sails. But, because we don't explain our reasons, they won't believe we're acting reasonably. We must give them line and letter for the way we choose to spend or save our money. Henderson tried a dodge with his men, out at Ashley and failed. He rather wanted a strike; it would have suited his book well enough. So, when the men came to ask for the five per cent they are claiming, he told 'em he'd think about it, and give them his answer on the pay day; knowing all the while what his answer would be, of

course, but thinking he'd strengthen their conceit of their own way. However they were too deep for him, and heard something about the bad prospects of trade. So in they came on the Friday, and drew back their claim, and now he's obliged to go on working. But we Milton masters have today sent in our decision. We won't advance a penny. We tell them we may have to lower wages; but can't afford to raise. So here we stand, waiting for their next attack."

"And what will that be?" asked Mr. Hale.

"I conjecture, a simultaneous strike. You will see Milton without smoke in a few days, I imagine, Miss Hale."

"But why," asked she, "could you not explain what good reasons you had for expecting a bad trade? I don't know I use the right words, but you will understand what I mean."

"Do you give your servants reasons for your expenditure, or your economy in the use of your own money? We the owners of capital, have a right to choose what we will do with it."

(From *North and South* by Elizabeth Gaskell, published 1855)

*Democracy for the working class can only be consolidated and expanded to the extent that the workers adopt the socialist standpoint. To renounce Socialism so that democracy may be defended, means ultimately the renunciation of both Socialism and democracy.*

**Questions of the Day 1978, page 17**

## DO COMMODITIES SELL AT THEIR VALUES?

In Volume 1 of **Capital**, Chapter IX, Marx had a footnote worded as follows:

*The calculations as given in the text are intended merely as illustrations. We have in fact assumed that prices equal values. We shall however see in Volume III, that even in the case of average prices the assumption cannot be made in this very simple manner."*

(Page 244 Kerr edition, p. 212 Lawrence & Wishart edition 1974)

In Volume III, Marx showed that while some commodities sell at prices above their values, other commodities sell at prices below their values. In Marx's terminology commodities sell at their "price of production" which is their "cost price" plus "the average rate of profit". (See **Capital** Volume III, page 185). The particular definitions Marx gave to "cost price, average rate of profit" and "price of production" are set out on page 186:

*"Take for instance, a capital of 500, of which 100 are fixed capital, and let 10 per cent of this wear out during turn-over of the circulating capital of 100. Let the average profit for the time of this turnover be 10 per cent. In that case the cost price of the product created during this turnover will be 10 c (wear) plus 400 (c and v), circulating capital, or a total of 410, and its price of production will be 410 (cost price) plus 10 per cent average profit on 500, or a total of 460."*

Marx gave examples on page 185 which supported his conclusion "that the deviations of prices from values mutually balance one

*another by the uniform distribution of the surplus value, or by the addition of the average rate of profit....One portion of the commodities is sold in the same proportion above in which the other is sold below their values"*

In the examples on page 185, in the column headed "*Capitals*", some are shown as "c" and others as "v", meaning constant capital and variable capital.

In Volume 1 of **Capital** (page 232 Kerr edition), Marx defined constant capital as "*that part of capital....which is represented by the means of production*" and which "*...does not in the process of production, undergo any quantitative alteration of value*".

Variable capital is defined as "*that part of capital represented by labour power*" which "*in the process of production does undergo an alteration of value*". "*It both reproduces the equivalent of its own value and also produces an excess, a surplus value*". "*This part of capital is constantly being transferred from a consistent into a variable magnitude. I therefore call it the variable part of capital, or, shortly, variable capital*".

**THE SOCIALIST PARTY OF GREAT BRITAIN**  
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has no connection with the organisation of the same name of 52 Clapham High Street, London SW4 7UN. Any person wishing to send money should make cheques, POs etc. payable to "**The Socialist Party of Great Britain**". If any person has mistakenly sent money to us intended for the Clapham organisation, we will refund this upon notification.



## CLASS CONSCIOUSNESS & POLITICAL ACTION

Socialists give great importance to the question of class and class struggle. A class is an economic category having mutual interest in the field of production and distribution, and in the ownership of property. Workers, for example, do not own and control the resources, machinery and tools of production, nor do they own what is produced. They are forced into commodity production in order to live and the final product becomes the property of another class, the capitalist or employing class. The worker's capacity to work itself becomes a commodity to be bought and sold on the labour market in exchange for a wage or a salary.

Contrast this with the employers. They live off either rent, interest or profit and are forced by competition to re-invest capital with a view to its expansion. As a class the capitalists are unproductive, but they own and control raw resources, mines, factories, communication and transport systems and the final points of distribution etc. In other words they own the means of production and distribution.

Social evolution is another important Socialist idea. The productive forces - the resources of nature, technology and the social skills have developed from and through one social system after another. We have now reached the stage where the forces of production are in conflict with the restrictions imposed by capitalist production, which is based upon production for sale and not for need. To overcome these restrictions social revolution is necessary. It requires both a political revolution and a revolution in thinking

about society and the way it can be organised to realise to the true potential within these forces of production. This conflict resolves into new social relations. The evolution of private property societies, with their different forms of class relations, slave, feudal and capitalist, has now evolved to a position where the working class is the last class needing to free itself from its subject status.

This class struggle in its primary stages takes the form of a conflict between capital and labour on the industrial field. Trade unions may be sufficient to struggle for higher pay or better working conditions, but are not suitable to pursue the class struggle politically. The working class, in effect, has to organise as a political party. Only a Socialist political party backed by a Socialist majority can end class conflict and bring the means of production under the democratic control and common ownership of all of society.

A Socialist political party then is required for social revolution. The party articulates the class struggle and politically challenges the capitalist class and its agents. It disciplines the class struggle, channelling political action towards the capture of the machinery of government. To achieve a majority in Parliament requires a majority of Socialists in the electorate. Struggle requires commitment, consistency and determination. The party has to be democratically controlled by its membership if the Socialist revolution is to be attained by and for the working class. The party can have only one object; Socialism.

Unlike capitalist political parties, the **SPGB**, has retained its integrity and openness. An open society requires first an open party. Plots, intrigue, secrecy, dishonesty, cliques, factions, closed meetings, leadership, secret donations and the cult of personality,

belong to tradition of capitalist parties, and their politics. The infantile behaviour of student politics characterised by Young Conservatives, Class War, the SWP and the Clapham based Socialist Party, whose politics is to pursue slogans instead of thought; use abuse for reason and fashion for principle, all this is rejected by the **SPGB** as base and unsound.

The task of liberating society has to be accomplished by the working class itself. No leaders can do it for us; no Utopias or dogmas can act as a substitute for theoretical understanding. The **SPGB** as a conscious political expression of the class struggle has built on the political experience of the past. Our political programme for establishing Socialism has never been tested. Parliamentary action remains the safe and practical way to capture political power. There is no quick solution to the establishment of Socialism. There is no magic button to press. There is no alternative except to put up with capitalism or establish Socialism as quickly as possible.

### MARX ON THE UNEMPLOYED

*"But if a surplus labouring population is a necessary product of accumulation or of the development of wealth on a capitalist basis, this surplus population becomes conversely, the lever of capitalistic accumulation, nay a condition of existence of the capitalist mode of production. It forms a disposable industrial reserve army, that belongs to capital quite as absolutely as if the latter had bred it at its own cost. Independently of the limits of the actual increase of population, it creates, for the changing needs of the self expansion of capital, a mass of human material always ready for exploitation."*

(**Capital** Volume 1, Part VII, Section 3, Page 693 Kerr edition)

## CAPITALISM & POLLUTION

Over recent years matters environmental have come more to the fore as a mainline topic of the capitalist political parties, and in society generally. Who has not noticed the bottle banks, the can recycling receptacles, the mention of the destruction Brazilian rain forests, and the hole in the ozone layer over Antarctica? As capitalism has matured and the nature of the problems has increased and diversified, pollution and ecology are no longer the hobby horse of a few specialists. It has become respectable to be environmentally "concerned". The early days of British capitalism may have had some protests about the "dark satanic mills" of William Blake spoiling the environment, but these were few and far between.

There are of course many different kinds of pollution in the world today. Whilst any kind of human society inevitably brings some pollution, its nature has been dramatically changed with the advent of capitalism and its fantastic growth. There is the pollution of the atmosphere by gases and particulates largely given off by industrial processes and vehicle emissions. There is pollution of the oceans, river systems and acid rain, resulting from various dumping of wastes, sewage, pesticides and other horrors including radio activity. Land too has been polluted, again by dumping of wastes, mining processes, over or incorrect cultivation etc. Even food which everyone must eat, we are told is polluted with all sorts of contaminants, including pesticides, bacteria, hormones, metals and other substances. Noise also undoubtedly pollutes particularly the cities and the lives of everyone including the capitalists. A more



subtle form of pollution is coming to light with the idea that strong electro magnetic fields, for example given off by overhead power lines, and electric sub stations can cause cancers

The most corrosive pollutant of all, and the most subtle, is the pollution of capitalist ideas which prevail in society today. They sterilize the creativity and humanity of the population, so that the only thing of interest boils down to money and personal wealth. This basic relation of wage labour and capital underlies the whole of capitalist society and is blindly accepted by the majority as if it were given by God. This is the basis of the pollution of minds experienced under capitalism.

From the Socialist point of view, pollution and ecology are not viewed in isolation, as if they are some kind of anomaly. They are as natural to capitalism as other problems, and will probably last as long as it does. Socialists look at the whole society of capitalism, and in our view, it is the problem that needs dealing with. Whilst capitalism as a social system copes with its own problems in a piecemeal way, the real problem is capitalism itself, and the real task is to get rid of it and replace it with Socialism.

We take the revolutionary point of view that the whole of society needs changing; that we need to abolish capitalism and replace it with Socialism. We do not see that reform of society is going to lead to the kind of society that we work for. Ecological reform of capitalism is no different in principle from any other kind of reform, whether it be constitutional reform or social reform, or any other kind. Even if the worst "Doomsday" predictions of the ecologists are to be proven right, and there is doubt about this, the urgent need for Socialism to be established is still there. We would rather spend

our time putting the Socialist case than arguing for reform of capitalism, and we wish the capitalist minded ecologists would too.

When ecologists talk of the earth, the planet, the globe as facing serious problems, we must remember that it is the capitalists who own the important bits of it. That is the wealth producing bits, the factories, mines, land, communications & transport systems etc.

From the Socialist point of view this ownership of the means of production leads to the existence of social classes, the working class who have to work for wages or salaries, and the capitalists who have enough capital or stored up social wealth to be able to live without working, and who employ members of the working class to produce new wealth for them. The employing class obviously have a conflict of interest with the working class over the amount they will pay in wages. The more wages are paid, the less profit there will be for the employer. Although of course in time of boom both profits and wages can rise at the same time, as they can both fall in time of recession.

In the early stages of capitalism we see a vast increase in the productive forces of society, the advent of steam engines, coal and iron and steel production, machinery, and discoveries like electricity, chemical reactions, and basic laws of physics etc., when applied on the productive field, allowed a huge expansion in the productive forces. The working class as a class was forced into existence. The whole thing expanded rapidly. In this early stage no-one thinks or cares about the waste products or their later effect.

All the waste products and rubbish are poured in the rivers or dumped on the land, or the atmosphere. No care is taken as to their

disposal. Early on in capitalism the capitalists realised that diseases which had started from the insanitary conditions of the working class areas could spread to them too. This realisation spurred them on to introduce basic standards of sanitation which of course **they** had to pay for. London's sewage system was designed and built in the mid 19th century, and is still in operation today. Similarly with other polluting activities, the capitalists have come to realise that it is in the interests of their social system not to allow unregulated pollution.

The individual capitalist may well resist reforms which will hit him in the pocket, but if the reform is important enough he will come up against the main body of the capitalists, in which case he will be forced to go along by the power of the state. Sanitation, the Factory Acts, educational reform, housing and national insurance were all at first rigorously opposed by various capitalists, but were later accepted and indeed welcomed and pushed through as being necessary, (against individuals interests). The far sighted capitalists, and there are some, realise that they need to look after their system.

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## MUCH ADO ABOUT NOTHING LABOUR'S PILLOW FIGHT

Long gone is the time when the Labour Party had what seemed, on the surface at least, a sentimental attachment to the welfare of the working class. This was expressed by the twin policies of taxing the rich to subsidise the poor by the introduction of a variety of reform measures, and the policy of nationalisation. The supposed aim of this policy was to re-distribute wealth taken from the private capitalists and direct it to the Exchequer where it could be used for the "public benefit".

Nationalisation has largely proved disastrous both for Labour and Tory governments. Billions of pounds of subsidies were poured into industries like iron and steel, coal mines and railways to keep them in existence. The anticipated profits from these now state owned industries did not materialise, and instead colossal deficits built up. It became clear to even the most dim witted Labour MP that further schemes of nationalisation were non starters and vote losers. They had failed utterly and had become discredited in the eyes of the electorate.

True to form, the Labour Party, ever mindful of the maxim that "power comes before principle", set about unloading its unpopular policy. Under the leadership of Mr. Tony Blair, the new style lean and keen professional politicians in the Labour Party, do not want to be saddled with any kind of principle or policy which can restrict their room for manoeuvre. Hence in early 1995, we have the makings of a grand pillow fight between left and right wing over the



meaningless **Clause 4** of the Labour Party's constitution, which nobody in the party takes seriously or shows the slightest interest in. That is apart from Mr. A. Scargill and his group of cavemen who are opposed to capitalism when run by the Tories, but in favour of capitalism when administered by Labour.

Clause 4 itself was adopted by the Labour Party in 1918, when the membership, which was previously restricted to trade union members became open to all. It reads:

*"To secure for the workers by hand or by brain the full fruits of their industry and the most equitable distribution thereof that may be possible upon the basis of the common ownership of the means of production, distribution and exchange, and the best available system of popular administration and control of each industry or service".*

This masterpiece of ambiguity was written by Sidney Webb (later Lord Passfield) and his wife Beatrice in about 1918; both were prominent members of the Fabian Society and the Social Democratic Federation. This in itself should have been enough to warn off the unwary, as both of these organisations were strong supporters of capitalism, and both were strongly opposed to the **SPGB**. They both rejected the **SPGB's** view that before capitalism can be abolished and Socialism established, the outlook of the workers has to be changed to the point where they are prepared to challenge the capitalist class over the ownership of the means of production and distribution.

Nowhere in the Clause is it proposed that capitalism be abolished yet it speaks of the workers receiving the *"full fruits of their industry"*, when in reality they have to produce a surplus value for

their employers. They have in fact to produce two livings, one for themselves and another for their bosses and the whole group of parasites, dividend beneficiaries and profit takers.

The real objection to the clause is that it contains the words "*common ownership*". This has always been taken to mean public or state ownership of industry and has nothing whatever to do with Socialism. This seems to have escaped Mr. Blair and Mr. Prescott who are both in the process of preparing an alternative wording to the clause which will possibly contain the grotesque claim that Socialism and the market economy are quite compatible. In reality of course they are diametrical opposites. We expect to be told next that the private ownership of the means of production is really Socialism in disguise.

Such is the desperation of these power hungry predators that they will stand everything on its head. Apparently it is not enough to perpetuate the old discredited Fabian ideas of the last hundred years; they must now undermine the meaning of logic and language by false pretence and plain old fashioned perfidy.

*"This talk about free selling and buying, and all the other "brave words" of our bourgeoisie about freedom in general, have a meaning, if any, only in contrast with restricted selling and buying, with the fettered traders of the Middle ages, but have no meaning when opposed to the Communistic abolition of buying and selling, of the bourgeois conditions of production, and of the bourgeoisie itself".*

**(The Communist Manifesto, Section II, p. 75 SPGB edition)**

Our emphasis

## WHAT IS SOCIALISM?

The system of society in which we live is called capitalism. Social wealth which we produce in order to live, is privately owned and controlled by a minority of the population - the capitalist class. They live off the unearned income of rent, interest and profit. Socially they are parasites and play no role in the productive process. The majority of the population, the working class, have to work for employers for a wage or a salary. Production takes place, not to meet social needs, but to make profit and to accumulate capital.

The defects within capitalism derive from the conflict between social production and class ownership. Millions of people exist on wages and salaries working co-operatively together to design, produce and distribute goods and services. Private property ownership not only causes social problems like unemployment, poverty and war, but also prevents social problems from being solved. Wherever there is a conflict between the pursuit of profit and meeting human needs, it is profit making which comes first.

Existing on a wage or salary is about buying and selling. The labour market is no different from the market for cars, computers or building materials. The price of labour power (the worker's commodity), is determined by the cost of maintaining and reproducing workers and their families. This cost is largely determined by the amount the workers must spend on necessities such as housing, food, clothing etc.

The wages system rations what workers can and cannot buy. It restricts workers to a range of commodities necessary to keep them

at a level of efficiency for the labour market. Workers do not only produce a basic set of commodities to live on but also a range of luxury commodities for the rich to enjoy.

Under Socialism production and distribution will be run efficiently and rationally by free men and women working voluntarily and co-operatively together to produce an adequate range of nutritious food, well made clothing, sound housing and high quality education, with leisure for all of society to enjoy. Capitalism denies this possibility. Men and women are not free. They are imprisoned within the wages system. It is from the relations of production that classes are derived. However, with capitalism, the working class are not only exploited they are also propertyless with regard to the means of production.

"*Exploitation*" does not necessarily mean low wages, nor hard and unpleasant work, nor oppressive management techniques. Exploitation simply means that workers get as wages and salaries less than the value of what they produce for their employers. Workers work not only to keep themselves alive but also to keep another parasitic class in luxury.

In such an exploitative system, class conflict continually takes place between employers and workers, and manifests itself in strikes, go slows, lock outs, trade unions etc. Workers literally have no choice, they are forced into the labour market. It is the political power of employers which allows them to take away the goods workers produce for their own use or sale.

The class struggle is a permanent feature of capitalism. It is immune to legislation and to media claims that it does not exist and the wish



of politicians that it would go away. Apart from strikes etc., the class struggle shows itself in employer's associations like the CBI and the Institute of Directors. It can be observed in the actions of groups like the Freedom Association and the Adam Smith Institute.

The class struggle is not confined to the labour market. It is in fact a political struggle. Capitalism can only exist by political protection. The political power of the employing class is backed up by the machinery of government, the police, jails, army etc. Political power is gained the political parties like Labour, Conservative, Liberal Democrats etc. The purpose of government, whichever party is in power, is to preserve the ability of employers to exploit their workforce. Governments have always taken the side of the employers by declaring states of emergency, using troops to break strikes, imposing wage freezes and by passing anti trade union laws.

As well as the class struggle, capitalism creates its own insoluble social problems. Consider the question of housing. People have different needs on how they want to live, either by themselves or with other people. Yet often the housing they get does not meet with their needs. Mean or unsuitable living conditions are the lot of millions of workers. Yet there are no technical problems why houses are not designed or built to reflect the spatial needs of their inhabitants. Nor is there any reason why houses should not be built expressing the skills and artistic flair of those who design and build them. It is not that good materials, builders and designers do not exist. They do.

Why then do workers live in housing which does not meet their needs as human beings? What stands in the way? The simple fact is that there is neither a market for housing that meets people's needs

nor are houses built well for the enjoyment of those designing and building them. Most workers cannot pay for good housing out of their wages and salaries. They are restricted by the wages system, and those workers who do purchase housing take years to do so. Well built houses which display flair and imagination for all of society to enjoy, are not built when the means of living are owned by a minority of the population and where the objective of the housing market is governed by the pursuit of profit. Millions of workers live in the cheapest and shoddiest housing, and their restricted access to the housing market is an aspect of their poverty.

There are low paid workers just as there are higher paid workers. Some workers see their standard of living fall, and others see it rise. Over the past century effective trade union action has seen the level of wages rise, and this despite anti trade union legislation of the 1980s and earlier. Whatever the level of wages, and whether or not they are rising or falling, the existence of wages means that exploitation is taking place. The continuation of the wages system ensures that the workers remain in the subject class.

Capitalism cannot produce enough to meet the needs of all members of society. Production is always restricted to what people can afford and what is profitable to the capitalist. The profit system acts as a restraint on production and distribution. It is also responsible for periodic trade depressions and unemployment, events which no government can do anything about.

Capitalism can never be run in the interests of the working class. This is clearly recognised by The Socialist Party of Great Britain and is reflected in our Object and Declaration of Principles. We reject the path of social reform and instead seek the common

ownership and democratic control of the means of production and distribution. It is only with the establishment of Socialism that the major social problems of capitalism can be solved. To establish Socialism, the workers must first organise consciously and politically for the conquest of political power in order to abolish capitalism and replace it with Socialism. The workers can achieve Socialism by voting for it. As Marx said they only have their chains to lose, but they have a world to gain.

## ARE PENSIONS WEALTH ?

The idea that the expectation of receiving a pension on retirement should be treated as "*wealth belonging to the pensioner*" is a misuse of statistics. It was shown to be so by the **Royal Commission of Income and Wealth** in their report. The Inland Revenue and the Government Statistical Department got out two quite separate and different calculations. One concerns the distribution of the Annual National Income. It contains all sorts of personal *income*: rent, interest, dividends, wages, fees of the self employed etc. and also pensions from the state and company pension schemes. The other concerns the *ownership* of wealth in the form of cash, land, houses, cars, yachts, jewellery, pictures and so on.

In the case of a capitalist who owns say £1,000,000 yielding an annual income of say £50,000, the £1m appears in the wealth ownership figures and the £50,000 annual income appears in the income figures, which is quite proper statistically. But along comes

the smart Alocs and say that by analogy, the pensioners' pension should appear in the annual income figures (which it does) and also there should be a corresponding "wealth" figure in the wealth figures, because the expectation of receiving a pension until death has a notional *value* which can be quantified as an amount of wealth. The Royal Commission (Paras 41 and 42) however pointed to a reason why this is not valid:

*"The right to a state pension is obviously valuable, even though its value is difficult to determine, since the size of the pension in future years cannot be known in advance. However, the right does not extend to complete ownership because an individual cannot transfer his right or sell it on the open market".*

You cannot turn your state pension or company pension into cash by selling it, and you cannot transfer it. All that the pensioner will receive is the pension, and when the pensioner ceases, there is nothing left for pensioner to own or to pass on to his heirs.

Now compare it with the capitalist who owns £1m wealth and receives from it an annual income of £50,000. When the annual income ceases on his/her death, the whole of the £1m wealth (subject to Inheritance Tax) is still there for his/her heirs to own, *plus* of course the £50,000 a year income that they will go on receiving.



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Secretary C. May, 71 Ashbourne Court, Woodside Park Road,  
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Correspondence to the Secretary, S.P.G.B., 31 Caernarvon Road,  
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Speaker: T. D'Arcy.

Sunday 26 February . . . . . DEBATE  
ARE MARXIST THEORIES OUT OF DATE ?  
A. Adonis (Liberal Democrat)  
J. D'Arcy. (The Socialist Party of Great Britain)

Sunday 12 March THE NEW LOOK LABOUR PARTY.  
Speaker: A. D'Arcy.

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